



February 18, 2005

HOUSE BILL No. 1839

DIGEST OF HB 1839 (Updated February 17, 2005 2:02 pm - DI 109)

Citations Affected: IC 20-12.

Synopsis: Teacher recruitment and retention. Establishes a teacher recruitment and retention fund, administered by the professional standards board, to: (1) attract qualified teachers to geographic areas of Indiana where a critical shortage of teachers exists; and (2) retain qualified teachers in teacher shortage areas; by providing student loan repayment assistance. Provides that as a condition of participating in the program and receiving student loan repayments, a teacher must agree to employment as a licensed teacher in a school district located in a teacher shortage area for at least five years.

Effective: July 1, 2005.

Porter

January 25, 2005, read first time and referred to Committee on Education.
February 17, 2005, amended, reported — Do Pass; referred to Committee on Ways and Means pursuant to House Rule 127.

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HB 1839—LS 6811/DI 109+



February 18, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1839

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-12-22.2 IS ADDED TO THE INDIANA CODE
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2005]:

4 **Chapter 22.2. Teacher Recruitment and Retention Fund**

5 **Sec. 1. As used in this chapter, "board" refers to the**
6 **professional standards board established by IC 20-1-1.4-2.**

7 **Sec. 2. As used in this chapter, "fund" refers to the teacher**
8 **recruitment and retention fund established by section 3 of this**
9 **chapter.**

10 **Sec. 3. (a) The teacher recruitment and retention fund is**
11 **established.**

12 **(b) The purpose of the fund is to attract additional qualified**
13 **teachers to the geographic areas of Indiana where there is a critical**
14 **shortage of teachers, as determined by the board, by granting loan**
15 **repayment assistance authorized under this chapter to eligible**
16 **applicants.**

17 **(c) The fund consists of gifts, grants, devises, or bequests made**

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to the state to achieve the purposes of the fund.

(d) The fund shall be administered by the board. The expenses of administering the fund shall be paid from money in the fund.

(e) Funds appropriated to the fund shall be placed in the state treasury to the credit of the fund. Loan repayment assistance payments shall be made from the fund by the treasurer of state upon a warrant issued by the auditor of state in accordance with rules adopted by the board.

Sec. 4. The board shall receive and consider all applications for loan repayment assistance received from teachers with outstanding guaranteed student loans made, issued, or guaranteed under a program authorized by Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

Sec. 5. (a) To qualify for loan repayment assistance for student loans under this chapter a person must:

- (1) hold a license to teach under IC 20-6.1-3;
- (2) complete at least one (1) year of teaching service in a geographic area of Indiana where a critical shortage of teachers exists, as determined by the board;
- (3) agree in writing to the employment requirements set forth in section 7 of this chapter; and
- (4) meet any additional criteria established by the board.

(b) For each year for which a teacher qualifies under subsection (a), the board may grant loan repayment assistance to the teacher in an amount not to exceed the lesser of:

- (1) fifty percent (50%) of the total principal and interest of the guaranteed student loans owed by the teacher during the year for which the teacher qualifies under subsection (a); or
- (2) three thousand dollars (\$3,000).

(c) The loan repayment assistance granted to a qualified teacher under this chapter must be used to reduce the principal and interest on a guaranteed student loan owed by that qualified teacher. The years of service rendered to obtain loan repayment assistance for student loans must be consecutive and may not exceed five (5) years. The maximum amount of loan repayment assistance that may be granted to any qualified teacher is fifteen thousand dollars (\$15,000).

Sec. 6. A qualified teacher must apply for a loan repayment on a form supplied by the board. The board shall consider each application and determine the eligibility of the applicant for the loan repayment assistance.

Sec. 7. (a) Before being granted loan repayment assistance

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1 under this chapter, a teacher must enter into a contract with the
 2 board agreeing to the terms and conditions upon which the loan
 3 repayment assistance will be granted to the teacher.

4 (b) As a condition of being granted loan repayment assistance
 5 under this chapter, a teacher must agree to employment for a
 6 period of at least five (5) years as a licensed teacher in a school
 7 district located in a geographic area of Indiana where a critical
 8 shortage of teachers exists.

9 (c) Service rendered by a teacher in a geographic area where a
 10 critical shortage of teachers exists before that teacher becomes a
 11 participant in the program may not be considered to have fulfilled
 12 the employment commitment required by subsection (b).

13 (d) A person failing to comply with the employment
 14 commitment required by subsection (b) in any required school year
 15 is immediately in breach of contract and immediately becomes
 16 liable to the board for the sum of all loan payments awarded to
 17 that person, less one-third (1/3) of the amount of that sum for each
 18 year that service was rendered, plus interest accruing at the
 19 current federal Stafford Loan rate at the time the breach occurs.

20 Sec. 8. The board shall maintain complete and accurate records
 21 in implementing the fund, including records of the following:

22 (1) The receipt, disbursement, and uses of money from the
 23 fund.

24 (2) The number of applications for loan repayment assistance.

25 (3) The number and amount of loans for which loan
 26 repayment assistance has been provided by the board.

27 (4) Other pertinent information requested by the board.

28 Sec. 9. The board may adopt rules under IC 4-22-2 necessary to
 29 carry out this chapter, including rules governing the enforcement
 30 of any employment requirements and repayment requirements.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1839, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 17, delete "the following:" and insert "**gifts, grants, devises, or bequests made to the state to**".

Page 1, run in line 17 through page 2, line 3.

Page 2, delete lines 1 through 2.

and when so amended that said bill do pass.

(Reference is to HB 1839 as introduced.)

BEHNING, Chair

Committee Vote: yeas 12, nays 0.

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